

**STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK LEASE ACCEPTANCE**

This is to certify that: WARD LAND & LIVESTOCK LLC
GLENN A WARD
200 E 500 S
BURLEY ID 83318
(208) 677-3935

has requested to lease the water right(s) listed below to the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board") being authorized to operate a bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director", "Department") the acquisition of water rights for the Board's Bank, agrees to lease the water right to the Bank as follows:

Summary of Water Rights or Portions Leased to the Bank

	<u>Water Right</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
	45-7733	0.33 CFS	128.0 AF	NA	NA
COMBINED LEASE TOTALS:		0.33 CFS	128.0 AF	NA	NA

TERM OF LEASE:

Lease Begin Date: May 18, 2006

Expiration Date: December 31, 2016

RENTAL AVAILABILITY:

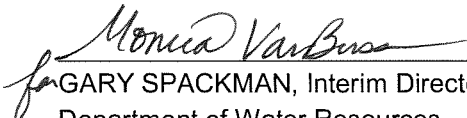
Season of Use: January 1 to December 31

MINIMUM PAYMENT ACCEPTABLE:

Current Rental Rate

Detailed Lease Acceptance attached.

Dated this 6th day of May, 20 11


for GARY SPACKMAN, Interim Director
Department of Water Resources

WATER RIGHT NO. 45-7733
WATER SUPPLY BANK LEASE ACCEPTANCE

The water right or portion thereof leased to the bank is described as follows:

Lessor: WARD LAND & LIVESTOCK LLC
 GLENN A WARD
 200 E 500 S
 BURLEY ID 83318
 (208) 677-3935

Priority Date: 08/27/1979

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
COMMERCIAL	01/01	to 12/31	0.33 CFS	128.0 AF
STOCKWATER	01/01	to 12/31	0.33 CFS	128.0 AF
	Total:		0.33 CFS	128.0 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	NE¼NE¼	Sec. 15	Twp 11S	Rge 23E	CASSIA County
GROUND WATER	NW¼NE¼	Sec. 15	Twp 11S	Rge 23E	CASSIA County
GROUND WATER	NW¼NE¼	Sec. 15	Twp 11S	Rge 23E	CASSIA County
GROUND WATER	NW¼NE¼	Sec. 15	Twp 11S	Rge 23E	CASSIA County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: COMMERCIAL

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
11S	23E	14							X										
11S	23E	15	X	X	X	X				X			X			X	X		

Total Acres: NA

PLACE OF USE TO BE IDLED UNDER THIS LEASE: STOCKWATER

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
11S	23E	15	X	X		X													

Total Acres: NA

CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease.

**WATER RIGHT NO. 45-7733
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CONDITIONS OF ACCEPTANCE

5. While a water right is in the bank, forfeiture provisions are stayed.
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in other department application process.
9. In accordance with Idaho Code § 42-248 and 42-1409(6), all owners of water rights are required to notify the department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. Upon acceptance of a water right into the Board's water supply bank, the owner of the right may withdraw the right within thirty (30) days of acceptance into the bank if the owner does not agree with the conditions of acceptance.
11. The dairy operation authorized under this approval shall comply with applicable county zoning and use ordinances.
12. The total instantaneous diversion of water from all points of diversion under Right 45-7733 shall not exceed 0.33 cfs, nor total combined annual volume of 128.0 af.
13. Use of water under this approval shall comply with applicable water quality standards of the Department of Environmental Quality.
14. The place of commercial use authorized by this approval includes land upon which wastewater may be applied for irrigation purposes to satisfy water quality requirements. Water diverted under this approval shall not be used for irrigation unless the water is first used in the dairy as authorized by this water right.
15. The right holder shall measure and annually report diversions of water and/or other pertinent hydrologic and system information as required by Section 42-701, Idaho Code.

The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.